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**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

Bankruptcy Case
No. 19-30088 (DM)

PG&E CORPORATION,

Chapter 11
(Lead Case)
(Jointly Administered)

-and-

PACIFIC GAS AND ELECTRIC COMPANY,

**PPA COUNTERPARTIES' RESPONSE
TO MOTION OF THE AD HOC
COMMITTEE OF SENIOR
UNSECURED NOTEHOLDERS TO
TERMINATE THE DEBTORS'
EXCLUSIVE PERIODS PURSUANT TO
SECTION 1121(d)(1) OF THE
BANKRUPTCY CODE**

Debtors.

- ☐ Affects PG&E Corporation
☐ Affects Pacific Gas and Electric Company
☒ Affects both Debtors

** All papers shall be filed in the Lead Case,
No. 19-30088 (DM).*

Date: July 24, 2019
Time: 9:30 a.m. (PDT)
Place: United States Bankruptcy Court
Courtroom 17, 16th Floor
San Francisco, CA 94102
Objection Deadline: July 18, 2019
4:00 p.m. (PDT)

¹ Pursuant to Rule 3-4(a)(1) of the *Local Rules for the United States District Court for the Northern District of California*, made applicable to bankruptcy cases and adversary proceedings pursuant to Rule 1001-2(a) of the Bankruptcy Rules for the Northern District of California, in multiparty proceedings, the Court and parties-in-interest shall refer to the signature page appended to this pleading for the full list of parties hereto.

The undersigned PPA Counterparties² hereby submit this response to the *Motion of the Ad Hoc Committee of Senior Unsecured Noteholders to Terminate the Debtors' Exclusive Periods Pursuant to Section 1121(d)(1) of the Bankruptcy Code* [Docket No. 2741] (the "Exclusivity Motion").³

1. According to the Debtors, "the Utility's PPAs [Power Purchase Agreements] represent contractual commitments aggregating approximately \$42 billion."⁴ The undersigned PPA Counterparties represent a significant percentage of that amount.

2. As emphasized in the Official Committee Statement, the Wildfire Safety Legislation sets a hard deadline for the Debtors' bankruptcy exit of June 30, 2020. That legislation represents changed circumstances from those that existed when the Court, in May, extended the exclusivity period until September 26, 2019.

3. In light of the complexity of this bankruptcy case, the inevitability of plan-related litigation and negotiations and the June 30, 2020 deadline, it is essential that the plan process commence forthwith so that a viable plan capable of garnering support and being confirmed (and that could be the Debtors' plan or a plan proposed by another party) can have a chance of meeting what must be viewed as an immutable deadline.

4. As emphasized in the Official Committee Statement, exclusivity is no longer appropriate. In this case, "the termination of exclusivity may actually be a positive development

² The "PPA Counterparties" are, collectively, AV Solar Ranch 1, LLC, Calpine Corporation, Capital Dynamics, Inc., Clearway Energy, Inc., Clearway Energy Group LLC, Diablo Winds, LLC, EDF Renewables, Inc., Enel Green Power North America, Inc., Exelon Corporation, FTP Power LLC, MC Shiloh IV Holdings, LLC, NextEra Energy, Inc., NextEra Energy Partners, L.P., NRG Energy, Inc., Solar Partners II, LLC, Solar Partners VIII, LLC, and TerraForm Power, Inc.

³ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Exclusivity Motion or in the *Statement of the Official Committee of Unsecured Creditors Regarding the Ad Hoc Committee of Senior Unsecured Noteholders' Motion to Terminate the Debtors' Exclusive Periods Pursuant to Section 1121(d)(1) of the Bankruptcy Code* [Docket No. 3064] ("Official Committee Statement").

⁴ *Debtors' Complaint for Declaratory Judgment and Permanent Injunctive Relief* [Adv. Pro. No. 19-03003-DM, Docket No. 1] ¶ 11.

1 insofar as other parties are permitted to file a competing plan, thereby fostering an atmosphere of
2 competition that may prove beneficial to all parties involved.” *In re Basil St. Partners, LLC*, 477
3 B.R. 856, 869 (Bankr. M.D. Fla. 2012); *see also In re Adelpia Commc’ns Corp.*, 352 B.R. 578,
4 590 (Bankr. S.D.N.Y. 2006) (“[T]he test is better expressed as determining whether terminating
5 exclusivity would move the case forward materially, to a degree that wouldn’t otherwise be the
6 case.”); *In re Dow Corning Corp.*, 208 B.R. 661, 670 (Bankr. E.D. Mich. 1997) (“[T]he primary
7 consideration should be whether or not [terminating exclusivity] would facilitate moving the case
8 forward.”).⁵

9 5. Accordingly, and without taking any position on the plan term sheet attached to the
10 Exclusivity Motion, the PPA Counterparties join with the Official Committee in supporting
11 termination of the Debtors’ Exclusivity Periods immediately.

12 DATED: July 18, 2019

/s/ David M. Stern

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27 ⁵ *Dow Corning* and *Adelpia* were cited approvingly by the Debtors in the *Corrected Motion of*
28 *Debtors Pursuant to 11 U.S.C. § 1121(d) to Extend Exclusive Periods* [Docket No. 1797] at 9,
10, 15 & 16.

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